

State Dept., OSD reviews completed

CONFIDENTIAL"

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- 1. Arabs reiterate attacks on US Palestine policy--The Syrian Minister in London, speaking for all Arab representatives there, has told Harriman that Arab friendship for the US is endangered by the apparently "uncritically pro-Zionist" attitude taken by the US toward Palestine. The Minister assured Harriman that he spoke as a friend of the US, and hoped for a peaceful settlement between Jews and Arabs. In Baghdad the Prime Minister of Iraq has expressed to US Charge Moose a similar opinion of US Palestine policy, adding that he opposes UNRRA as an organization whose principal benefits go to Jews and Zionists.
- 2. Progress of UK-Egyptian treaty negotiations -- Legation Cairo reports that the Anglo-Egyptian treaty apparently is "crystallizing" along lines previously indicated, and that an early agreement is expected, possibly within a week. The period allotted for complete British evacuation is expected to be two years. The outstanding obstacles remaining are believed to be the British desire for a clause justifying their action in "imminent threat of war," and the Sudan question.
- 3. Soviet relation to Outer Mongolia -- US Ambassador Smith in Moscow characterizes as "unrealistic" the Chinese anxiety over an alleged secret agreement providing for maintenance of Soviet troops in the Mongolian Peoples Republic (see Daily Summary of 13 July, item 9). Smith comments that the Republic is "unescapably" subject to the USSR, and that the Republic's army may be regarded as part of the Soviet military machine. He believes that, if the US opposes the Republic's entry into the UN on these grounds, it would "not be surprising" if the USSR raised the questions of the military relationship between the UK, Iraq and India and between the US and the Philippines.

EUROPE-AFRICA

4. USSR: Embassy recommends withdrawal of US Naval officers -- Smith recommends immediate US compliance with the Soviet request for withdrawal of US Naval officers from Odessa, Archangel, and Vladivostok (see Daily Summary of 18 July, item 1). Smith points out that the US has refused a request for the stationing of Soviet Naval officers at various points in the US and has terminated the activities of the Soviet Purchasing Commission in the US. Document No.

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- 5. USSR: Embassy reports demand for US films—Smith has asked the State Department to use its influence in helping him to meet the "terrific demand" in Moscow for first class US films such as "Gone With The Wind." He remarks that the British there have at their disposal their "very best" films and are offering these for use by the US Embassy.
- 6. AUSTRIA: Renewed land seizures by Soviets--Clark reports a "new wave" of Soviet "land grabbing", which will result in considerable harvest loss to the Austrians. He contends that this Soviet action provides additional justification for applying UNRRA sanctions.
- 7. FRANCE: De Gaulle to speak on 28 July--Caffery reports the announcement in Paris that de Gaulle is to speak at Bar-le-Duc on 28 July (see Daily Summary of 18 July, item 2). The speech, according to persons close to de Gaulle, will deal with France's international position, and will be "important."
- 8. FRENCH MOROCCO: Nationalist uprisings not expected "immediately"—US Consul General Tangier, in commenting on the possibility of uprisings in French Morocco, quotes a very reliable French colonial officer to the effect that no trouble is expected in the immediate future, although no one can say "there might not be trouble some time ahead." The officer appeared to believe that Communist-inspired activities are more dangerous than Nationalist agitation, and disclosed the French hope of averting a clash with the Nationalists by progressive educational and economic policies.

THE AMERICAS

9. BOLIVIA: <u>Situation still unsettled</u>—US Ambassador Flack states that casualties from clashes between students and police have risen and that further sporadic shooting may be expected when some remaining strong points of alleged radical opposition are cleaned up. He believes that student protests against repressive tactics of the government were of local origin and not Communist-inspired.

An unofficial delegation from the Diplomatic Corps, including Flack, urged acting Foreign Minister Pinto to use clemency in dealing

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with the students. Pinto thanked the delegation for its friendly representations and suggested that the students might be "counselled to desist," adding that the government was in complete control of the situation throughout the country.

10. BRAZIL: New Japanese outbreaks—US Consul General Cross in Sao Paulo reports that fresh Japanese outbreaks in the interior have resulted in at least two additional murders. Cross urges immediate shipment to the area of films showing the occupation of Japan.